

# Results for the six months ended 30 June 2023

27 July 2023

## A good start to the year in a challenging environment

- Despite an uncertain macro backdrop, we delivered a good start to 2023 with robust financial performance and growth in assets under management (AUM)
- Underlying profit before tax increased 56% to £46.4m (2022 H1: £29.7m) and statutory profit before tax grew 85% to £34.8m (2022 H1: £18.8m)
- Gross flows remained strong at £7.7bn, underpinned by continued momentum in the institutional channel, and Jupiter generated small positive net inflows across the period
- AUM grew 2% and ended the period at £51.4bn (31 December 2022: £50.2bn)
- Total dividends of 6.4p per share. This comprises an ordinary dividend of 3.5p per share and a special dividend of 2.9p per share

	Six months ended 30 June 2023	Six months ended 30 June 2022	Year ended 31 December 2022
AUM (£bn)	51.4	48.8	50.2
Net flows (£bn)	-	(3.6)	(3.5)
Net revenue <sup>1</sup> (£m)	181.0	202.4	397.3
Statutory profit before tax <sup>2</sup> (£m)	34.8	18.8	58.0
Basic earnings per share (EPS) <sup>2</sup> (p)	4.6	2.6	8.9
Underlying profit before tax <sup>1</sup> (£m)	46.4	29.7	77.6
Underlying EPS <sup>1</sup> (p)	6.7	4.2	11.3
Total dividends per share	6.4	7.9	8.4
Cost:income ratio <sup>1</sup>	71%	67%	69%

1 The Group's use of alternative performance measures is explained on pages 25 to 28.

2 IFRS measures.

## Matthew Beesley, Chief Executive Officer, commented:

*“Despite the continued volatile market environment leading to muted retail investor appetite, Jupiter has had a good first half of the year, delivering a robust financial performance. We saw small positive net flows, driven by another strong performance in the institutional channel and AUM increased by 2%.*

*We continue to diversify our client base, with institutional AUM now accounting for 18% of Group assets and international AUM at 36%. We have nearly completed the fund rationalisation programme and have identified higher than expected cost savings during the period.*

*Our strong capital position allows us to invest for growth and we plan to launch our range of thematic funds by the end of the year. In addition, we are returning capital to our shareholders through a special dividend.*

*It's clear from these results that our strategic focus is generating positive outcomes and we are confident that continuing to deliver on the strategy will help to return Jupiter to sustained growth.”*

## Analyst presentation

There will be an analyst presentation at 11:00am BST on 27 July 2023.

The presentation will be held at The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ and will also be accessible via a live webcast. The webcast is available at: <https://secure.emincote.com/client/jupiter/jfm033>. Please note that questions can be asked either in-person at the presentation or via the webcast.

The results announcement and the presentation will be available at <https://www.jupiteram.com/investor-relations>. Copies may also be obtained from the registered office of the Company at The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ.

The interim report and accounts will be available on the Group's website at: <https://www.jupiteram.com/investor-relations>.

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## Forward-looking statements

This announcement contains forward-looking statements with respect to the financial condition, results of operations and businesses of the Group. Such statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this announcement. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.

# Management statement

We are pleased to report a good first half in 2023, with progress against our strategic objectives despite the ongoing and well-known market challenges.

Interest rates continued to rise globally and markets remained volatile, weighing upon investor sentiment, particularly in the retail channel. Despite that, we generated small positive net flows over the six-month period, led by another strong performance in the institutional channel.

We remain focused on those aspects of our business that we can control and executing our strategy: increasing scale, decreasing undue complexity, broadening our appeal to clients, and deepening relationships with our stakeholders.

AUM grew by 2% in the period to £51.4bn (2022 H2: £50.2bn), predominantly driven by positive market movements. Lower average AUM compared to H1 22 led to net revenues of £181.0m (2022 H1: £202.4m) and our continued rigorous focus on cost control resulted in underlying profit before tax of £46.4m (2022 H1: £29.7m).

We continue to have a strong capital base and have today announced an ordinary dividend of 3.5p per share, in line with our policy of returning 50% of pre-performance fee earnings. In order to honour our previous capital return commitments, we have also announced a special dividend of 2.9p per share, payable in September.

## Progress against our strategic objectives

At our full-year 2022 results we detailed four key strategic objectives that would be key in driving Jupiter's success going forward and we have made progress against each of these in the first half of 2023. These objectives were to:

- **Increase scale** in select geographies and channels;
- **Decrease undue complexity** with costs managed carefully through a relentless pursuit of efficiency;
- **Broaden our appeal to clients** with new and existing investment strategies, while also exploring additional methods of delivery; and
- **Deepen relationships with all stakeholders** with purpose and sustainability embedded in all we do.

Increasing scale across the Group continues to be the most important of these objectives, as delivering absolute revenue growth will be critical to our ongoing success. There is clear ongoing positive momentum in the institutional channel with net inflows of over £1.7bn in the first six months. AUM from institutional clients is now at a record level of over £9bn, or 18% of Group AUM. We continue to develop strong relationships with consultants and the number of 'Buy' ratings on our investment strategies has increased from 18 to 20. Our pipeline remains strong and we are optimistic on seeing continued momentum over the medium term.

We also continue to grow scale in our international businesses. We generated £2bn of net inflows from clients based overseas in the first half, with positive net inflows from clients in Asia, continental Europe and the Americas. Total international AUM is now at over £18bn, or 36% of the Group's AUM (2022 H1: 28%).

We have also continued to remove undue complexity from within our business, following the restructuring of our operating model last year. The fund rationalisation programme is now mostly complete and, because of the focus on the tail of sub-scale funds, the resulting attrition rate remains low at 0.7% of Group AUM. We remain focused on cost control with further savings identified and implemented.

We continue to evolve our product range to ensure we broaden our appeal to clients with a differentiated offering. Subject to regulatory approvals, we hope to launch our range of five thematic funds in the fourth quarter, run by our successful Systematic team.

And finally, we remain focused on deepening relationships with all stakeholders including our clients, our people, our shareholders, our regulators and the wider society in which we operate. We are a human capital business and we are pleased to report that our most recent employee opinion survey saw increases in most key metrics, including a five percentage point rise of the overall engagement score.

## Improving flow picture, driven by institutional success

Jupiter had small positive net inflows for the first half of 2023. Following positive net inflows in H2 2022, this is the first 12-month period of net inflows since 2017.

Gross flows have continued to be strong, with £7.7bn from clients in the first half (2022 H1: £6.9bn).

The institutional channel was again the driver behind these positive flows, with £1.7bn of net inflows in the first half, and a total of £3.5bn over the last 12 months. The flows were encouragingly diversified by region and investment strategy, but also in size.

The retail channel continued to see outflows, with net redemptions from funds of £1.7bn as an uncertain macro-environment again weighed upon client demand. Although our UK retail business improved from a challenging first quarter, it was the source of the majority of our net outflows. These were predominantly from areas which remained short of client demand, such as UK and European equities and the Merlin fund of funds range, despite the latter's ongoing strong performance.

Elsewhere, our range of Global strategies collected over £600m of net inflows in the period. Within Fixed Income, Dynamic Bond has returned to small positive flows in each of the last two quarters.

Total AUM increased by 2% to £51.4bn (31 December 2022: £50.2bn) as a result of these slightly positive net flows and positive market and other movements of £1.2bn.

	31 December 2022 £bn	Q1 net flows £bn	Q2 net flows £bn	H1 net flows £bn	Market and other movements £bn	30 June 2023 £bn
Retail, wholesale & investment trusts	43.4	(1.0)	(0.7)	(1.7)	0.4	42.1
Institutional	6.8	0.1	1.6	1.7	0.8	9.3
<b>Total</b>	<b>50.2</b>	<b>(0.9)</b>	<b>0.9</b>	<b>-<sup>1</sup></b>	<b>1.2</b>	<b>51.4</b>
<i>of which is invested in mutual funds</i>	<i>39.3</i>	<i>(1.1)</i>	<i>(0.6)</i>	<i>(1.7)</i>	<i>0.5</i>	<i>38.1</i>

<sup>1</sup> Total net flows for the period of £23m.

## Robust financial performance

Despite the uncertain market backdrop, we have delivered robust financial performance in the first half of the year. We have remained focused on retaining an efficient operating model centred around our clients, supported by risk management and investment in key areas of growth. Although AUM increased over the period, average AUM fell to £50.9bn (2022 H1: £54.8bn). This decrease in average AUM and change in business mix led to net revenue being 11% lower at £181.0m (2022 H1: £202.4m). Total net revenue included £0.4m of performance fees (2022 H1: £0.7m).

As the shape of our business changes, with greater weighting towards institutional clients, we have seen a three basis point decline in the net management fee margin to 71 bps over the first half. Our focus remains on growing absolute revenues. We recognise that management fee margins will decline as we build scale, continue to see success with institutional clients and deepen relationships with strategic partners. In aggregate, we believe that these lower margins will be paired with a larger, more diversified and less volatile revenue base.

We remain focused on controlling costs wherever possible and the management actions taken in the second half of 2022 have come through this year.

Fixed staff costs reduced to £37.0m (2022 H1: £37.9m) while variable staff costs decreased to £41.4m (2022 H1: £63.9m), driven primarily by lower performance fee-related deferred compensation costs.

Excluding the impact of net performance fees, our total compensation ratio has increased to 41% (2022 H1: 38%), in line with our expectations. This increase is necessary in the short term to ensure we attract and retain key talent and build scale across the business.

Non-compensation costs of £53.8m (2022 H1: £58.4m) were carefully managed lower in the first half. A proportion of our non-compensation costs are linked to AUM levels, which has driven some of this reduction, but we have also identified further planned cost savings, some of which are reflected in these results.

Total expenses before exceptional items were 17% lower than the first half of 2022 at £132.2m (2022 H1: £160.2m). Excluding the impact of performance fee-related pay and exceptional items, the Group's total administrative expenses were £128.7m (2022 H1: £135.3m).

There were exceptional items of £11.6m (2022 H1: £10.9m), which mainly comprised amortisation of intangible assets and deferred compensation charges relating to the 2020 Merian acquisition.

Excluding the impact of net performance fees, underlying profit before tax and exceptional items was £49.5m (2022 H1: £53.9m). With the impact of deferred performance-fee related compensation costs, underlying profit before tax was £46.4m (2022 H1: £29.7m), with statutory profit before tax of £34.8m (2022 H1: £18.8m).

Including net performance fees, underlying EPS was 6.7p (2022 H1: 4.2p) and basic statutory EPS was 4.6p (2022: 2.6p). Underlying EPS, excluding the impact of net performance fees, was 7.1p (2022 H1: 7.8p).

£m	Six months ended 30 June 2023			Six months ended 30 June 2022		
	Before net performance fees	Net performance fees	Total	Before net performance fees	Net performance fees	Total
<b>Net revenue</b>	<b>180.6</b>	<b>0.4</b>	<b>181.0</b>	<b>201.7</b>	<b>0.7</b>	<b>202.4</b>
Fixed staff costs	(37.0)	-	(37.0)	(37.9)	-	(37.9)
Variable staff costs	(37.9)	(3.5)	(41.4)	(39.0)	(24.9)	(63.9)
Non-compensation costs	(53.8)	-	(53.8)	(58.4)	-	(58.4)
<b>Administrative expenses<sup>1</sup></b>	<b>(128.7)</b>	<b>(3.5)</b>	<b>(132.2)</b>	<b>(135.3)</b>	<b>(24.9)</b>	<b>(160.2)</b>
Other gains/(losses)	0.4	-	0.4	(8.2)	-	(8.2)
Amortisation of intangible assets <sup>2</sup>	(1.0)	-	(1.0)	(1.0)	-	(1.0)
<b>Operating profit before exceptional items</b>	<b>51.3</b>	<b>(3.1)</b>	<b>48.2</b>	<b>57.2</b>	<b>(24.2)</b>	<b>33.0</b>
Net finance costs	(1.8)	-	(1.8)	(3.3)	-	(3.3)
<b>Underlying profit before tax</b>	<b>49.5</b>	<b>(3.1)</b>	<b>46.4</b>	<b>53.9</b>	<b>(24.2)</b>	<b>29.7</b>
Exceptional items	(11.6)	-	(11.6)	(10.9)	-	(10.9)
<b>Statutory profit before tax</b>	<b>37.9</b>	<b>(3.1)</b>	<b>34.8</b>	<b>43.0</b>	<b>(24.2)</b>	<b>18.8</b>

1 Administrative expenses exclude £2.2m of variable staff costs classified as exceptional (2022 H1: £1.5m).

2 Amortisation of intangible assets excludes £9.4m classified as exceptional (2022 H1: £9.4m).

## Active, high-conviction investment

Jupiter's purpose is clear. We exist to create a better future for our clients and the planet with our active investment excellence.

The recent market dynamics have at times created a challenging backdrop for our range of investment capabilities which, in aggregate, have led to a weaker aggregate investment performance metric than we would typically expect.

At 30 June 2023, 52% of our mutual fund AUM had delivered above-median performance against their peer group over three years (31 December 2022: 51% of mutual fund AUM), of which 32% of mutual fund AUM had delivered first quartile performance (31 December 2022: 40% of mutual fund AUM).

Measured over one year, 53% of mutual fund AUM (31 December 2022: 49% of mutual fund AUM) delivered above-median performance, whereas over five years this was 58% of mutual fund AUM (31 December 2022: 53% of mutual fund AUM).

Although these figures are not where we would hope to be, they have been driven by a small number of some of our largest funds which are below their median, including in our unconstrained fixed income funds and European equities. However, eight out of our top 12 funds by AUM remain above median over the key three-year period.

Segregated mandates and investment trusts now make up £13.3bn, or 26% of our AUM (31 December 2022: £10.9bn, or 22% of our AUM). At the period end, 72% of AUM in segregated mandates and investment trusts were above their benchmarks over three years (31 December 2022: 59%).

## A strong capital base

The Group maintains a strong capital base. As we move through the transitional period of a new regulatory regime, our capital surplus has increased to £147m, with total regulatory capital representing three times coverage of our regulatory requirements of £72m.

In line with our policy of paying out 50% of underlying EPS before performance fees, the Board have proposed an interim ordinary dividend of 3.5p per share. In order to honour our previous capital return commitments, the Board have also proposed a special dividend of 2.9p per share. The dividends will be paid on 1 September 2023 to shareholders on the register at the close of business on 4 August 2023.

Our policy, as part of our overall capital allocation framework, allows us to return capital to shareholders on a clear, sustainable basis and, if there are no capital needs, we expect to make further returns of additional capital to shareholders at the appropriate time.

## Looking forward through 2023

In what has been an uncertain and volatile backdrop, it has been a good start to the year. Our financial performance has been robust and we have made pleasing progress against each of our strategic objectives.

We have generated net positive flows over both six and 12 month periods and are cautiously optimistic that a well-diversified pipeline will continue to deliver further AUM gains in future periods.

Our capital base is strong and we will look for opportunities to further develop our business, both organically and inorganically. The short-term outlook remains uncertain, but we are well-positioned for growth over the medium term and confident that our strategy is the right one.

Matthew Beesley  
Chief Executive Officer  
26 July 2023

# Consolidated income statement

for the six months ended 30 June 2023

	Notes	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Revenue	1	200.2	226.5	443.5
Fee and commission expenses	1	(19.2)	(24.1)	(46.2)
<b>Net revenue</b>	1	<b>181.0</b>	<b>202.4</b>	<b>397.3</b>
Administrative expenses	3	(134.4)	(161.7)	(302.3)
Other gains/(losses)	4	0.4	(8.2)	(9.7)
Amortisation of intangible assets	9	(10.4)	(10.4)	(21.0)
<b>Operating profit</b>		<b>36.6</b>	<b>22.1</b>	<b>64.3</b>
Net finance costs	5	(1.8)	(3.3)	(6.3)
<b>Profit before taxation</b>		<b>34.8</b>	<b>18.8</b>	<b>58.0</b>
Income tax expense	6	(10.6)	(4.3)	(10.1)
<b>Profit for the period<sup>1</sup></b>		<b>24.2</b>	<b>14.5</b>	<b>47.9</b>
<b>Earnings per share</b>				
Basic	7	4.6p	2.6p	8.9p
Diluted	7	4.6p	2.5p	8.8p

<sup>1</sup>Non-controlling interests are presented in the Consolidated statement of changes of equity.

# Consolidated statement of comprehensive income

for the six months ended 30 June 2023

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Profit for the year	<b>24.2</b>	<b>14.5</b>	<b>47.9</b>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange movements on translation of subsidiary undertakings	(2.1)	2.9	3.4
<b>Other comprehensive (loss)/income for the year net of tax</b>	<b>(2.1)</b>	<b>2.9</b>	<b>3.4</b>
<b>Total comprehensive income for the year net of tax</b>	<b>22.1</b>	<b>17.4</b>	<b>51.3</b>

# Consolidated balance sheet

at 30 June 2023

	Notes	30 June 2023 £m	30 June 2022 £m	31 December 2022 £m
<b>NON-CURRENT ASSETS</b>				
Goodwill	8	570.6	570.6	570.6
Intangible assets	9	26.7	43.6	35.2
Property, plant and equipment	10	38.9	42.5	40.9
Deferred tax assets		19.4	24.6	19.4
Trade and other receivables		0.3	0.4	0.4
		<b>655.9</b>	<b>681.7</b>	<b>666.5</b>
<b>CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss	11	166.8	247.5	167.8
Trade and other receivables		205.7	295.4	124.1
Current income tax asset		3.1	3.9	3.3
Cash and cash equivalents	12	284.0	213.9	280.3
		<b>659.6</b>	<b>760.7</b>	<b>575.5</b>
<b>TOTAL ASSETS</b>		<b>1,315.5</b>	<b>1,442.4</b>	<b>1,242.0</b>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS</b>				
Share capital	14	10.9	11.1	10.9
Own share reserve	15	(0.8)	(0.6)	(0.5)
Other reserves	15	250.3	250.1	250.3
Foreign currency translation reserve	15	1.6	3.2	3.7
Retained earnings	15	586.7	592.3	578.9
<b>Capital and reserves attributable to owners of Jupiter Fund Management plc</b>		<b>848.7</b>	<b>856.1</b>	<b>843.3</b>
Non-controlling interests		0.5	0.7	0.6
<b>TOTAL EQUITY</b>		<b>849.2</b>	<b>856.8</b>	<b>843.9</b>
<b>NON-CURRENT LIABILITIES</b>				
Loans and borrowings	13	49.6	49.4	49.5
Trade and other payables		81.8	103.1	87.5
Deferred tax liabilities		4.5	8.5	6.7
		<b>135.9</b>	<b>161.0</b>	<b>143.7</b>
<b>CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss	11	48.5	50.3	49.2
Trade and other payables		281.9	374.3	205.2
		<b>330.4</b>	<b>424.6</b>	<b>254.4</b>
<b>TOTAL LIABILITIES</b>		<b>466.3</b>	<b>585.6</b>	<b>398.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,315.5</b>	<b>1,442.4</b>	<b>1,242.0</b>



# Consolidated statement of changes in equity

for the six months ended 30 June 2023

	Share capital £m	Own share reserve £m	Other reserves £m	Foreign currency translation reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
<b>At 1 January 2022</b>	<b>11.1</b>	<b>(0.4)</b>	<b>250.1</b>	<b>0.3</b>	<b>639.7</b>	<b>900.8</b>	-	<b>900.8</b>
Profit for the period	-	-	-	-	13.8	13.8	0.7	14.5
Exchange movements on translation of subsidiary undertakings	-	-	-	2.9	-	2.9	-	2.9
<b>Other comprehensive income</b>	-	-	-	<b>2.9</b>	-	<b>2.9</b>	-	<b>2.9</b>
<b>Total comprehensive income</b>	-	-	-	<b>2.9</b>	<b>13.8</b>	<b>16.7</b>	<b>0.7</b>	<b>17.4</b>
Dividends paid	-	-	-	-	(48.6)	(48.6)	-	(48.6)
Purchase of shares by Employee Benefit Trust (EBT)	-	(0.2)	-	-	(21.2)	(21.4)	-	(21.4)
Share-based payments	-	-	-	-	8.7	8.7	-	8.7
Deferred tax	-	-	-	-	(0.1)	(0.1)	-	(0.1)
<b>Total transactions with owners</b>	-	<b>(0.2)</b>	-	-	<b>(61.2)</b>	<b>(61.4)</b>	-	<b>(61.4)</b>
<b>At 30 June 2022</b>	<b>11.1</b>	<b>(0.6)</b>	<b>250.1</b>	<b>3.2</b>	<b>592.3</b>	<b>856.1</b>	<b>0.7</b>	<b>856.8</b>
Profit for the period	-	-	-	-	33.5	33.5	(0.1)	33.4
Exchange movements on translation of subsidiary undertakings	-	-	-	0.5	-	0.5	-	0.5
<b>Other comprehensive income</b>	-	-	-	<b>0.5</b>	-	<b>0.5</b>	-	<b>0.5</b>
<b>Total comprehensive income/(loss)</b>	-	-	-	<b>0.5</b>	<b>33.5</b>	<b>34.0</b>	<b>(0.1)</b>	<b>33.9</b>
Vesting of ordinary shares and options	-	0.1	-	-	(0.1)	-	-	-
Share repurchases and cancellations	(0.2)	-	0.2	-	(10.0)	(10.0)	-	(10.0)
Dividends paid	-	-	-	-	(41.6)	(41.6)	-	(41.6)
Share-based payments	-	-	-	-	4.9	4.9	-	4.9
Deferred tax	-	-	-	-	(0.1)	(0.1)	-	(0.1)
<b>Total transactions with owners</b>	<b>(0.2)</b>	<b>0.1</b>	<b>0.2</b>	-	<b>(46.9)</b>	<b>(46.8)</b>	-	<b>(46.8)</b>
<b>At 31 December 2022</b>	<b>10.9</b>	<b>(0.5)</b>	<b>250.3</b>	<b>3.7</b>	<b>578.9</b>	<b>843.3</b>	<b>0.6</b>	<b>843.9</b>
Profit for the period	-	-	-	-	24.3	24.3	(0.1)	24.2
Exchange movements on translation of subsidiary undertakings	-	-	-	(2.1)	-	(2.1)	-	(2.1)
<b>Other comprehensive loss</b>	-	-	-	<b>(2.1)</b>	-	<b>(2.1)</b>	-	<b>(2.1)</b>
<b>Total comprehensive (loss)/income</b>	-	-	-	<b>(2.1)</b>	<b>24.3</b>	<b>22.2</b>	<b>(0.1)</b>	<b>22.1</b>
Vesting of ordinary shares and options	-	0.1	-	-	(0.1)	-	-	-
Dividends paid	-	-	-	-	(2.6)	(2.6)	-	(2.6)
Purchase of shares by EBT	-	(0.4)	-	-	(24.0)	(24.4)	-	(24.4)
Share-based payments	-	-	-	-	10.2	10.2	-	10.2
<b>Total transactions with owners</b>	-	<b>(0.3)</b>	-	-	<b>(16.5)</b>	<b>(16.8)</b>	-	<b>(16.8)</b>
<b>At 30 June 2023</b>	<b>10.9</b>	<b>(0.8)</b>	<b>250.3</b>	<b>1.6</b>	<b>586.7</b>	<b>848.7</b>	<b>0.5</b>	<b>849.2</b>
Notes	14	15	15	15	15			

# Consolidated statement of cash flows

for the six months ended 30 June 2023

	Notes	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
<b>Cash flows from operating activities</b>				
Cash generated from operations	17	55.8	121.4	175.1
Income tax paid		(12.6)	(10.5)	(12.8)
<b>Net cash inflows from operating activities</b>		<b>43.2</b>	<b>110.9</b>	<b>162.3</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	10	(0.3)	(0.9)	(1.2)
Purchase of intangible assets	9	(1.9)	(1.9)	(4.1)
Purchase of financial assets at fair value through profit or loss (FVTPL) <sup>1</sup>		(61.3)	(130.6)	(188.2)
Proceeds from disposal of financial assets at FVTPL <sup>2</sup>		62.1	100.1	233.3
Cash movement from funds no longer consolidated <sup>3</sup>		(1.5)	-	(6.0)
Cash movement from funds consolidated <sup>4</sup>		-	-	0.3
Dividend income received	4	0.3	0.6	1.0
<b>Net cash (outflows)/inflows from investing activities</b>		<b>(2.6)</b>	<b>(32.7)</b>	<b>35.1</b>
<b>Cash flows from financing activities</b>				
Dividends paid	16	(2.6)	(48.6)	(90.2)
Purchase of shares by EBT		(24.4)	(21.4)	(21.4)
Purchase of shares for cancellation		(2.0)	-	(8.0)
Net finance costs paid		(3.2)	(4.7)	(4.5)
Cash paid in respect of lease arrangements		(3.0)	(2.9)	(7.8)
Third-party subscriptions into consolidated funds		29.9	26.3	31.7
Third-party redemptions from consolidated funds		(30.0)	(10.2)	(13.0)
Distributions paid by consolidated funds		(0.5)	(2.0)	(3.8)
<b>Net cash outflows from financing activities</b>		<b>(35.8)</b>	<b>(63.5)</b>	<b>(117.0)</b>
<b>Net increase in cash and cash equivalents</b>		<b>4.8</b>	<b>14.7</b>	<b>80.4</b>
Cash and cash equivalents at beginning of period		280.3	197.3	197.3
Effects of exchange rates on cash and cash equivalents		(1.1)	1.9	2.6
<b>Cash and cash equivalents at end of period</b>	12	<b>284.0</b>	<b>213.9</b>	<b>280.3</b>

<sup>1</sup> Includes purchases of seed investments and fund units used as a hedge against compensation awards linked to the value of those funds and, where the Group's investment in seed is judged to give it control of a fund, purchases of financial assets by that fund.

<sup>2</sup> Includes proceeds from disposals of seed investments and, where the Group's investment in seed is judged to give it control of a fund, disposals of financial assets by that fund.

<sup>3</sup> Comprises cash and cash equivalents held by a fund at the point that the Group ceases to control the fund and it is no longer consolidated.

<sup>4</sup> Comprises cash and cash equivalents held by a fund at the point that control passes to the Group and the fund is consolidated.

# Notes to the Group financial statements

## Introduction

Jupiter Fund Management plc (the Company) and its subsidiaries (together, the Group) offer a range of asset management products. Through its subsidiaries, the Group acts as an investment manager to authorised unit trusts, SICAVs, ICVCs, OEICs, investment trust companies, pension funds and other specialist funds. At 30 June 2023, the Group had offices in the United Kingdom, Ireland, Germany, Hong Kong, Italy, Luxembourg, Singapore, Spain, Sweden, Switzerland and the United States.

## Basis of preparation and other accounting policies

Within this Interim Report and Accounts, all current and comparative data covering periods to (or as at) 30 June are unaudited. Data given in respect of the year ended 31 December 2022 is audited. Information which is the required content of the Interim Management Report can be found on pages 1 to 6, 23, and 25 to 28.

These condensed financial statements for the six months ended 30 June 2023 have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority and with UK-adopted International Accounting Standard IAS 34 'Interim Financial Reporting'. The condensed financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022, which were prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The condensed financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2022 were approved by the Board on 23 February 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The condensed financial statements have been reviewed, not audited.

The Group is able to operate within its available resources even in a stressed scenario. The Directors have not identified any material uncertainties to the Group's ability to continue to adopt the going concern basis. As a consequence, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for a period of at least 12 months from the date of approval of the condensed financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing these financial statements.

## Changes in accounting policies

The International Accounting Standards Board and IFRS Interpretations Committee (IC) have issued a number of new accounting standards and interpretations and amendments to existing standards and interpretations. There are no IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Group.

## Accounting policies

The accounting policies applied are consistent with those applied in the Group's annual financial statements for the year ended 31 December 2022.

## 1. Revenue

The Group's primary source of recurring revenue is management fees. Management fees are charged for investment management or administrative services and are normally based on an agreed percentage of AUM. Initial charges and commissions are for additional administrative services at the beginning of a client relationship, as well as ongoing administrative costs. Performance fees may be earned from some funds when agreed performance conditions are met. Net revenue is stated after fee and commission expenses to intermediaries for ongoing services under distribution agreements.

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Management fees	198.5	224.1	430.1
Initial charges and commissions	1.3	1.7	3.1
Performance fees	0.4	0.7	10.3
<b>Revenue</b>	<b>200.2</b>	<b>226.5</b>	<b>443.5</b>
Fee and commission expenses relating to management fees	(18.7)	(23.6)	(45.3)
Fees and commission expenses relating to initial charges and commissions	(0.5)	(0.5)	(0.9)
<b>Net revenue</b>	<b>181.0</b>	<b>202.4</b>	<b>397.3</b>

## 2. Segmental reporting

The Group offers a range of products and services through different distribution channels. All financial, business and strategic decisions are made centrally by the Board of Directors (the Board), which determines the key performance indicators of the Group. Information is reported to the chief operating decision maker, the Board, on a single segment basis. While the Group has the ability to analyse its underlying information in different ways, for example by product type, this information is only used to allocate resources and assess performance for the Group as a whole. On this basis, the Group considers itself to be a single-segment investment management business.

## 3. Administrative expenses

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Staff costs	79.3	55.3	132.6
Depreciation of property, plant and equipment	2.6	2.9	5.8
Other administrative expenses	51.2	55.5	108.8
<b>Administrative expenses before losses arising from economic hedging of fund awards</b>	<b>133.1</b>	<b>113.7</b>	<b>247.2</b>
Net losses on instruments held to provide an economic hedge for fund awards	1.3	48.0	55.1
<b>Total administrative expenses</b>	<b>134.4</b>	<b>161.7</b>	<b>302.3</b>

The management statement of this document provides details of exceptional items of £2.2m (2022 H1: £1.5m, 2022 FY: £0.8m) within administrative expenses. All of this expense is included within staff costs, and relates to cash and share-based deferred earn out (DEO) awards. No further significant charges are expected in respect of these awards.

#### 4. Other gains/(losses)

Other gains/(losses) relate principally to net gains or losses made on the Group's seed investment portfolio and derivative instruments held to provide economic hedges against that portfolio. The portfolio and derivatives are held at FVTPL (see Note 11). Gains and losses on these investments comprise both realised and unrealised amounts.

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Dividend income	0.3	0.6	1.0
Net gains/(losses) on financial instruments designated at FVTPL upon initial recognition	2.5	(24.8)	(24.7)
Net (losses)/gains on financial instruments at FVTPL	(2.4)	16.0	14.0
<b>Other gains/(losses)</b>	<b>0.4</b>	<b>(8.2)</b>	<b>(9.7)</b>

#### 5. Net finance costs

Net finance costs principally relate to interest payable on Tier 2 subordinated debt notes (see Note 13) and the unwinding of the discount applied to lease liabilities. Net finance costs also include ancillary charges for commitment fees and arrangement fees associated with the revolving credit facility (RCF) (see Note 13). Interest (receivable)/payable on bank deposits is recognised on an accrual basis using the effective interest method.

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Interest on subordinated debt	2.3	2.3	4.7
Interest on lease liabilities	0.7	0.8	1.6
Finance costs on the RCF	0.1	0.1	0.3
Interest (receivable)/payable on bank deposits	(1.3)	0.1	(0.3)
<b>Net finance costs</b>	<b>1.8</b>	<b>3.3</b>	<b>6.3</b>

## 6. Income tax expense

Analysis of charge in the period:

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
<b>Current tax</b>			
Tax on profits for the period	12.7	3.1	9.5
Adjustments in respect of prior periods	-	-	(3.8)
<b>Total current tax</b>	<b>12.7</b>	<b>3.1</b>	<b>5.7</b>
<b>Deferred tax</b>			
Origination and reversal of temporary differences	(2.1)	1.2	3.8
Adjustments in respect of prior periods	-	-	0.6
<b>Total deferred tax</b>	<b>(2.1)</b>	<b>1.2</b>	<b>4.4</b>
<b>Income tax expense</b>	<b>10.6</b>	<b>4.3</b>	<b>10.1</b>

The weighted average UK corporate tax rate for 2023 FY is 23.5% (2022 H1 and 2022 FY: 19%). The UK corporation tax rate increased from 19% to 25% on 1 April 2023. The effective tax rate used for the period to 30 June 2023 is 30.5%, compared to 22.9% for the six months ended 30 June 2022.

The increase in this rate is largely driven by a reduction in deferred compensation awards charges due to the movement in the share price.

## 7. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to equity holders of Jupiter Fund Management plc (the parent company of the Group) by the weighted average number of ordinary shares outstanding and contingently issuable during the period, less the weighted average number of own shares held. Own shares are shares held in an EBT for the benefit of employees under the vesting, lock-in and other incentive arrangements in place.

Diluted EPS is calculated by dividing the profit for the period (as used in the calculation of basic EPS) by the weighted average number of ordinary shares outstanding during the period for the purpose of basic EPS, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The weighted average number of ordinary shares used in the calculation of EPS is as follows:

	Six months ended 30 June 2023	Six months ended 30 June 2022	Year ended 31 December 2022
	Number million	Number million	Number million
<b>Weighted average number of shares</b>			
Issued share capital <sup>1</sup>	545.1	553.1	552.4
Add: Contingently issuable shares <sup>2</sup>	5.9	– <sup>3</sup>	1.7
Less: Time-apportioned own shares held	(28.1)	(23.5)	(24.5)
<b>Weighted average number of ordinary shares for the purpose of basic EPS</b>	<b>522.9</b>	<b>529.6</b>	<b>529.6</b>
Add: Weighted average number of dilutive potential shares	8.8	13.5	9.3
<b>Weighted average number of ordinary shares for the purpose of diluted EPS</b>	<b>531.7</b>	<b>543.1</b>	<b>538.9</b>

<sup>1</sup>The Group purchased and cancelled 1.4m ordinary shares during the first half of 2023 and 6.7m ordinary shares during 2022 (see Note 14).

<sup>2</sup>Contingently issuable shares relate to vested but unexercised share-based payment awards at the balance sheet date.

<sup>3</sup>The Group did not disclose an amount of contingently issuable shares in June 2022, although 5.0m such shares were held. Including this amount in the calculation would not have changed either basic or diluted EPS.

	Six months ended 30 June 2023	Six months ended 30 June 2022	Year ended 31 December 2022
	Pence	Pence	Pence
<b>EPS</b>			
Basic	4.6	2.6	8.9
Diluted	4.6	2.5	8.8

## 8. Goodwill

Goodwill relates to the 2007 acquisition of Knightsbridge Asset Management Limited (KAML) (£341.2m) and the 2020 acquisition of Merian Global Investors Limited (Merian) (£229.4m).

	30 June 2023	30 June 2022	31 December 2022
	£m	£m	£m
Goodwill	570.6	570.6	570.6
	<b>570.6</b>	<b>570.6</b>	<b>570.6</b>

The Group operates as a single asset management business segment and does not allocate costs between investment strategies or individual funds. The Group's goodwill originally arose in 2007 through KAML and was increased in 2020 through the acquisition of Merian. The Merian acquisition largely comprised revenues and incremental costs and therefore increased the scale of the existing business, improving the headroom over goodwill arising on acquisitions. Both businesses are fully integrated and are not separately measured or monitored. It is not possible to assign any reduction in the Group's profitability between KAML and Merian, and therefore we adopt a single CGU and consider our impairment

test based on Group-wide cash generation to calculate the recoverable amount of the goodwill, using the higher of the value in use and fair value less costs of disposal, and comparing this to the carrying value of the asset.

For the impairment test, the recoverable amount for the goodwill asset was calculated using a value in use approach, based on the net present value of the Group's future earnings. The net present value was calculated using a discounted cash flow model, with the following key assumptions:

- The Group's projected base case forecast cash flows over a period of four and a half years to the end of 2027, which includes an assumption of annual revenue growth based on our expectations of AUM growth, client fee rates and performance fees. The data has been approved by the Board in June 2023, and is aligned with the strategic focus set out in the Management Statement;
- Long-term growth rates of 2% (2022 FY: 2%) were used to calculate terminal value; and
- A cost of capital of 12.2% (2022 FY: 12.8%) was calculated using the capital asset pricing model, weighted to take into account the Group's subordinated debt.

The impairment test performed indicates positive headroom of recoverable amount over carrying value of £230m at 30 June 2023, up from £212m at 31 December 2022. The value in use of the asset is higher than its fair value less costs of disposal. Our conclusion therefore is that the Group's goodwill asset is not currently impaired.

The sensitivity of the Group's current headroom position to changes in key metrics and assumptions is shown in the tables below. The first table discloses the stresses that would have to be applied to the value in use calculation in order for the headroom to be completely removed. The second table sets out the impacts of reasonably possible changes in key assumptions used in the value in use calculation.

The adverse movement on key inputs to the Group's impairment testing required to remove all headroom is as follows:

Measure	Assumption used in base case	Movement required to remove all headroom
Compound average annualised revenue growth over a five-year period	Updated five-year strategic plan <sup>1</sup>	Decrease by 3.5% <sup>2</sup>
Discount rate movement (post tax) <sup>3</sup>	12.2%	Increase to 15.6%
Terminal growth rate movement	2.0%	Decrease to -3.3%

<sup>1</sup>Updated to include the impact of H1 2023 actuals and the Board's latest approved forecast.

<sup>2</sup>This amount is a reduction in average annual revenue growth over a four and a half year period; it does not imply a linear year-on-year reduction.

<sup>3</sup>Using pre-tax discount rates on pre-tax profitability and cash flows does not produce a materially different result.

The impact on headroom of reasonably possible adverse movements in key inputs to the Group's impairment testing is as follows:

Key variable	Reasonably possible adverse movement	Reduction in headroom £m
Discount rate	+1%	82
Terminal growth rate movement	-1%	60
Decrease in revenue	-10%	164 <sup>1</sup>

<sup>1</sup>The decrease in revenue represents a modelled percentage reduction in each year projected in the Group's base case forecast cashflows. In the Group's Annual Report and Accounts for 2022, this sensitivity was disclosed as being £87m in respect of a 10% decrease in revenue. In the current period, we have revised our modelling and assumed a smaller correlation between decreases in revenue and corresponding decreases in costs. If we had prepared the 2022 year-end disclosure on the same basis, the reduction in headroom would have been £168m.

The sensitivities modelled make no allowance for actions management would take to reduce costs should the Group experience future reductions in AUM or profitability.

Neither the Group's regulatory capital or liquidity resources nor its regulatory requirements would be directly impacted by impairment charges relating to the Group's goodwill asset.

As set out in the tables above, if forecasts are not met, impairment of the asset could result. The Group continues to monitor its market capitalisation against implied internal valuations and adjust its internal models on a regular basis to reflect the impacts of market information and its own profitability levels.



## 9. Intangible assets

Intangible assets principally comprise investment management contracts acquired as part of the Merian transaction. These contract assets are amortised on a straight-line basis over their useful economic lives, which have been assessed to be a maximum of four years.

The other intangible assets recognised are computer software. During the period, the Group acquired computer software of £1.9m (2022 H1: £1.9m, 2022 FY: £4.1m), and disposed of £nil (2022 H1: £nil, 2022 FY: £nil). These assets are amortised on a straight-line basis over their estimated useful lives, which are estimated as being between five and ten years.

The amortisation charge for the period was £10.4m (2022 H1: £10.4m, 2022 FY: £21.0m).

The Directors have considered whether there were any indicators of potential impairment of the intangible assets as at 30 June 2023 and concluded there were none (2022 H1 and 2022 FY: same).

	30 June 2023 £m	30 June 2022 £m	31 December 2022 £m
Intangible assets	26.7	43.6	35.2
	<b>26.7</b>	<b>43.6</b>	<b>35.2</b>

The management statement of this document refers to exceptional items of £9.4m (2022 H1: £9.4m, 2022 FY: £18.8m) relating to amortisation of intangible assets. This charge is in respect of the Merian acquisition in 2020.

## 10. Property, plant and equipment

The net book value of property, plant and equipment at 30 June 2023 was £38.9m (2022 H1: £42.5m, 2022 FY: £40.9m). During the period, the Group acquired items of property, plant and equipment (excluding right-to-use leased assets) with a value of £0.3m (2022 H1: £0.9m, 2022 FY: £1.2m). Additions to the right-of-use leased assets during the period were £0.3m (2022 H1: £0.4m, 2022 FY: £1.4m).

## 11. Financial instruments held at fair value

As at 30 June 2023, the Group held the following classes of financial instruments measured at fair value, which principally comprise seed investments and assets held to hedge compensation awards:

	30 June 2023 £m	30 June 2022 £m	31 December 2022 £m
Financial assets at FVTPL	166.6	247.5	167.8
Other financial assets at FVTPL (derivatives)	0.2	-	-
Financial liabilities at FVTPL	(48.5)	(50.3)	(48.6)
Other financial liabilities at FVTPL (derivatives)	-	-	(0.6)
	<b>118.3</b>	<b>197.2</b>	<b>118.6</b>

## 12. Cash and cash equivalents

	30 June 2023 £m	30 June 2022 £m	31 December 2022 £m
Cash at bank and in hand	281.1	209.2	276.8
Cash held by the EBT and seed investment subsidiaries	2.9	4.7	3.5
<b>Total cash and cash equivalents</b>	<b>284.0</b>	<b>213.9</b>	<b>280.3</b>

Cash held by the EBT and seed investment subsidiaries is not available for use by the Group.

## 13. Loans and borrowings

On 27 April 2020, the Group issued £50.0m of Tier 2 subordinated debt notes at a discount of £0.5m. Issue costs were £0.5m. These notes will mature on 27 July 2030 and bear interest at a rate of 8.875% per annum to 27 July 2025, and at a reset rate thereafter. The Group has the option to redeem all of the notes from 27 April 2025 onwards. The movements in the balance in the six-month period to 30 June 2023 represent the unwinding of the discount applied to the liability.

	30 June 2023 £m	30 June 2022 £m	31 December 2022 £m
Non-current subordinated debt in issue	49.6	49.4	49.5
	<b>49.6</b>	<b>49.4</b>	<b>49.5</b>

The Group's revolving credit facility enables it to borrow up to £40m (2022: £80m). The facility renewed in April 2023 and remains undrawn. The facility expires in April 2026. Interest on the RCF is payable at a rate per annum of a compounded reference rate plus a margin of 0.6%. A commitment fee is payable on the RCF at a rate of 0.21% per annum on the undrawn balance. A utilisation fee is also payable at a rate of 0.1% per annum when up to 33% of the facility is drawn, 0.2% per annum when 33% to 66% of the facility is drawn, and 0.4% per annum when more than 66% of the facility is drawn.

## 14. Share capital

In 2022 and early 2023, the Group carried out a £10.0m share buyback and cancellation programme, purchasing and cancelling 6.7m ordinary shares at a cost of £8.0m in 2022, with a further purchase and cancellation of 1.4m shares in 2023 at a cost of £2.0m. On cancellation of the shares, an amount equal to their nominal value was transferred to a capital redemption reserve which forms part of 'Other reserves', as detailed in Note 15. Shares cancelled represented 1.5% of the previously issued share capital.

	Number of ordinary shares		
	30 June 2023 m	30 June 2022 m	31 December 2022 m
Ordinary shares of 2p each	545.0	553.1	546.4
	<b>545.0</b>	<b>553.1</b>	<b>546.4</b>

	Number of ordinary shares			Par value	
	30 June 2023 m	30 June 2022 m	31 December 2022 £m	30 June 2022 £m	31 December 2022 £m
<b>Movement in ordinary shares</b>					
At 1 January	546.4	553.1	553.1	10.9	11.1
Shares cancelled	(1.4)	-	(6.7)	-	(0.2)
<b>At period ended</b>	<b>545.0</b>	<b>553.1</b>	<b>546.4</b>	<b>10.9</b>	<b>11.1</b>

## 15. Reserves

### (i) Own share reserve

The Group operates an EBT for the purpose of satisfying certain retention awards to employees. The holdings of this trust, which is funded by the Group, include shares in Jupiter Fund Management plc that have not vested unconditionally to employees of the Group. These shares are recorded at cost and are classified as own shares and are used to settle obligations that arise from the vesting of share-based awards.

During the period, the Group purchased 18.4m (2022 H1: 10.4m, 2022 FY: 10.4m) ordinary shares with a par value of £0.4m (2022 H1: £0.2m, 2022 FY: £0.2m) for the purpose of satisfying share option obligations to employees. The full cost of the purchases was £24.4m (2022 H1: £21.4m, 2022 FY: £21.4m). The Group disposed of 3.4m (2022 H1: 2.1m, 2022 FY: 7.2m) own shares to employees in satisfaction of share-based awards with a nominal value of £0.1m (2022 H1: £0.1m, 2022 FY: £0.1m). At 31 June 2023, 37.9m (2022 H1: 28.0m, 2022 FY: 22.9m) ordinary shares, with a par value of £0.8m (2022 H1: £0.6m, 2022 FY: £0.5m), were held as own shares within the Group's EBT.

### (ii) Other reserves

Other reserves comprise the merger relief reserve of £242.1m (2022 H1 and 2022 FY: £242.1m) formed on the acquisition of Merian in 2020, £8.0m (2022 H1 and 2022 FY: £8.0m) that relates to the conversion of Tier 2 preference shares in 2010, and £0.2m (2022 H1: £nil, 2022 FY: £0.2m) of capital redemption reserve that was transferred from share capital on the cancellation of shares repurchased in 2022 and 2023 (see Note 14).

### (iii) Foreign currency translation reserve

The foreign currency translation reserve of £1.6m (2022 H1: £3.2m, 2022 FY: £3.7m) is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

### (iv) Retained earnings

Retained earnings of £586.7m (2022 H1: £592.3m, 2022 FY: £578.9m) are the amount of earnings that are retained within the Group after dividend payments and other transactions with owners, including share repurchases. During the period, the Group spent £2.0m on the repurchase of 1.4m shares (2022 H1: £nil, 2022 FY: £8.0m on the purchase of 6.7m shares) at an average price of 143p per share (2022 H1: nil, 2022 FY: 119p per share).

## 16. Dividends

On 19 May 2023 the Group paid a final dividend for 2022 of 0.5p per ordinary share. This amounted to a total payment of £2.6m after taking into account the £0.1m dividends waived on shares held in the EBT.

The Board has declared an interim dividend for the period of 3.5p per ordinary share and a special dividend of 2.9p per ordinary share. These dividends will be paid on 1 September 2023 to ordinary shareholders on the register at close of business on 4 August 2023. These dividends amount to £19.1m and £15.8m respectively (before adjusting for any dividends waived on shares in the EBT).

## 17. Cash flows generated from operating activities

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
<b>Operating profit</b>	<b>36.6</b>	<b>22.1</b>	<b>64.3</b>
<b>Adjustments for:</b>			
Amortisation of intangible assets	10.4	10.4	21.0
Depreciation of property, plant and equipment	2.6	2.9	5.8
Other losses <sup>1</sup>	0.3	29.7	28.2
Losses on fund unit hedges <sup>2</sup>	1.3	48.0	55.1
Share-based payments	10.2	8.7	13.6
(Increase)/decrease in trade and other receivables <sup>3</sup>	(80.9)	(158.3)	12.2
Increase/(decrease) in trade and other payables <sup>3</sup>	75.3	157.9	(25.1)
<b>Cash generated from operations</b>	<b>55.8</b>	<b>121.4</b>	<b>175.1</b>

<sup>1</sup>Comprises the reversal of items included in 'Other gains/(losses)' in the income statement that relate either to unrealised gains or losses, or to cash flows relating to the disposal of financial assets other than derivative contracts. Cash flows relating to disposals are included in the Cash flow statement within 'Proceeds from disposals of financial assets at FVTPL'.

<sup>2</sup>Comprises the reversal of net losses on instruments held to provide an economic hedge for funds awards that are recognised within Administrative expenses (Note 3). Cash flows arising from the disposals of such instruments are included in the Cash flow statement, in line with footnote 1 above.

<sup>3</sup>Amounts reported in these lines can differ from the movement in the balance sheet where cash flows that form part of that movement are separately reported in a different line of the Cash flow statement or its notes. In 2022 and 2023, these differences are principally in respect of cash flow movements relating to consolidated funds. For trade and other payables, additionally, cash flows arising from movements in lease liabilities are presented on the face of the Cash flow statement.

## 18. Changes in liabilities arising from financing activities

	Financial liabilities at FVTPL £m	Loans and borrowings <sup>1</sup> £m	Leases £m	Total £m
<b>Brought forward at 1 January 2022</b>	<b>52.3</b>	<b>49.3</b>	<b>51.1</b>	<b>152.7</b>
New leases	-	-	0.4	0.4
Changes from financing cash flows	16.1 <sup>2</sup>	-	(2.9)	13.2
Changes arising from obtaining or losing control of consolidated funds	(10.4)	-	-	(10.4)
Changes in fair value	(7.7)	-	-	(7.7)
Interest expense	-	0.1	0.8	0.9
Lease reassignment and modifications	-	-	(0.2)	(0.2)
<b>Liabilities arising from financing activities carried forward at 30 June 2022</b>	<b>50.3</b>	<b>49.4</b>	<b>49.2</b>	<b>148.9</b>
New leases	-	-	1.0	1.0
Changes from financing cash flows	2.6 <sup>2</sup>	-	(4.9)	(2.3)
Changes arising from obtaining or losing control of consolidated funds	(4.0)	-	-	(4.0)
Changes in fair value	(0.3)	-	-	(0.3)
Interest expense	-	0.1	0.8	0.9
Lease reassignment and modifications	-	-	0.2	0.2
<b>Liabilities arising from financing activities carried forward at 31 December 2022</b>	<b>48.6</b>	<b>49.5</b>	<b>46.3</b>	<b>144.4</b>
New leases	-	-	0.3	0.3
Changes from financing cash flows	(0.1) <sup>2</sup>	-	(3.0)	(3.1)
Changes arising from obtaining or losing control of consolidated funds	(0.4)	-	-	(0.4)
Changes in fair value	0.4	-	-	0.4
Interest expense	-	0.1	0.7	0.8
Lease reassignment and modifications	-	-	0.6	0.6
<b>Liabilities arising from financing activities carried forward at 30 June 2023</b>	<b>48.5</b>	<b>49.6</b>	<b>44.9</b>	<b>143.0</b>

Notes

13

1 Accrued interest on loans and borrowings is recorded within 'Trade and other payables' and is therefore not included in this analysis. The interest expense above comprises the charge arising from unwinding the discount applied in calculating the amortised cost of the subordinated debt.

2 Comprises net cash flows from third-party subscriptions/redemptions into/from consolidated funds (see Cash flow statement).

## 19. Financial instruments

Financial instruments held at fair value are carried at a value which represents the price to exit the instruments at the balance sheet date. The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. Where a quoted market price is not available, the Group establishes the fair value using valuation techniques such as recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

The Group used the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: other techniques, for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (unobservable inputs).

As at 30 June 2023, the Group held the following financial instruments measured at fair value:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at FVTPL - funds	122.0	44.6	-	166.6
Financial assets at FVTPL – derivatives	-	0.2	-	0.2
Financial liabilities at FVTPL	(48.5)	-	-	(48.5)
	<b>73.5</b>	<b>44.8</b>	<b>-</b>	<b>118.3</b>

As at 30 June 2022, the Group held the following financial instruments measured at fair value:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at FVTPL - funds	162.5	85.0	-	247.5
Financial assets at FVTPL – derivatives	-	-	-	-
Financial liabilities at FVTPL	(50.3)	-	-	(50.3)
	<b>112.2</b>	<b>85.0</b>	<b>-</b>	<b>197.2</b>

As at 31 December 2022, the Group held the following financial instruments measured at fair value:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets at FVTPL – funds	116.5	51.0	0.3	167.8
Financial liabilities at FVTPL	(48.6)	-	-	(48.6)
Other financial liabilities at FVTPL (derivatives)	-	(0.6)	-	(0.6)
	<b>67.9</b>	<b>50.4</b>	<b>0.3</b>	<b>118.6</b>

## 20. Related party transactions

All related party transactions during the period are consistent with those disclosed in the Annual Report and Accounts for the year ended 31 December 2022 and have taken place on an arm's length basis.

No new related parties or related party transactions that materially affect the financial position or performance of the Group existed or occurred during the period.

# Statement of Directors' responsibilities

## Statements relating to the preparation of the Financial Statements

We confirm that to the best of our knowledge:

The condensed set of financial statements has been prepared in accordance with UK-adopted International Accounting Standard 34, '*Interim Financial Reporting*' as required by the Companies Act 2006 and gives a true and fair view of the assets, liabilities, financial position and profits of the Group for the period ended 30 June 2023.

The interim report includes a fair review of the information required by:

- a) DTR 4.2.7R of the Guidance, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- b) DTR 4.2.8R of the Guidance, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last Annual Report and Accounts that could have a material effect on the financial position or performance of the Group in the past six months of the current financial year.

A list of the Directors of Jupiter Fund Management plc can be found in the Annual Report and Accounts for the year ended 31 December 2022. A current list of Directors is maintained on the website at [www.jupiteram.com](http://www.jupiteram.com).

On behalf of the Board

Wayne Mepham  
Chief Financial Officer

26 July 2023

# Principal risks and mitigations

The Group is exposed to various risk types in pursuing its business objectives, which can be driven by both internal and external factors. Understanding and managing these risks is a regulatory requirement but also imperative to the success of the business. Our principal risks, as disclosed in the Group's 2022 Annual Report and Accounts, remain unchanged and our risk profile has remained stable during the first half of 2023.

Jupiter's regulatory engagement remains a key area of focus and we continue to engage with our Regulators in an open and transparent manner, appropriately managing changes to our regulatory landscape and any resulting regulatory divergence.

Technology and Information Security risk remains a key area of focus due to the risk posed from a successful cyber-attack and we continue to maintain a robust control environment in this area of the business, reducing vulnerabilities where possible.

Outsourcing is a key component of our business strategy and we rely on third-party relationships to deliver our business services. In addition, understanding and managing our People risk is essential to the success of our business to ensure we meet our evolving operational and regulatory needs.

We believe that the Group remains well positioned and equipped to respond to any further volatility in the markets in a way that continues to mitigate risk and protect our client interests. Looking forward to the second half of 2023 and beyond we continue to leverage the Group's Enterprise Risk Management framework to identify any key emerging risks which may further impact our overall risk profile to ensure we are well positioned to understand and manage them in line with the Group's risk appetite.



# Alternative performance measures

## The use of alternative performance measures (APMs)

The Group uses APMs for two principal reasons:

- We use ratios to provide metrics for users of the accounts; and
- We use revenue, expense and profitability-based APMs to explain the Group’s underlying profitability.

### Ratios

The Group calculates ratios to provide comparable metrics for users of the accounts. These ratios are derived from other APMs that measure underlying revenue and expenditure data.

In this document, we have used the following ratios:

	APM	Six months ended 30 June 2023	Six months ended 30 June 2022	Year ended 31 December 2022	Definition	Reconciliation
1	Cost: income ratio	71%	67%	69%	Administrative expenses before exceptional items and performance fees divided by net revenue before exceptional items and performance fees	See table 1 below
2	Net management fee margin	71bps	74bps	74bps	Net management fees divided by average AUM	
3	Total compensation ratio before net performance fees	41%	38%	40%	Fixed staff costs before exceptional items plus Variable staff costs before exceptional items and performance fee-related costs as a proportion of net revenue before performance fees	
4	Underlying EPS	6.7p	4.2p	11.3p	Underlying profit after tax attributable to equity holders of the parent divided by average issued share capital	
5	Underlying EPS before performance fees	7.1p	7.8p	14.7p	Underlying profit after tax before performance fees attributable to equity holders of the parent divided by average issued share capital	

## Reconciliation of reported IFRS numbers to APMs: table 1

	Six months ended 30 June 2023	Six months ended 30 June 2022	Year ended 31 December 2022
APM	£m	£m	£m
Administrative expenses (page 7)	134.4	161.7	302.3
Less: Performance fee costs (page 5)	(3.5)	(24.9)	(33.9)
Less: Exceptional items included in administrative expenses (page 12)	(2.2)	(1.5)	(0.8)
<b>Administrative expenses before exceptional items and performance fee-related costs</b>	<b>128.7</b>	<b>135.3</b>	<b>267.6</b>
Net revenue (page 7)	181.0	202.4	397.3
Less: Performance fees (page 12)	(0.4)	(0.7)	(10.3)
<b>Net revenue before performance fees</b>	<b>180.6</b>	<b>201.7</b>	<b>387.0</b>
<b>Cost: income ratio</b>	<b>1</b>	<b>71%</b>	<b>67%</b>
Management fees (page 12)	198.5	224.1	430.1
Less: Fees and commissions relating to management fees (page 12)	(18.7)	(23.6)	(45.3)
<b>Net management fees</b>	<b>179.8</b>	<b>200.5</b>	<b>384.8</b>
<b>Average AUM (£bn) (page 4)</b>	<b>50.9</b>	<b>54.8</b>	<b>52.4</b>
<b>Net management fee margin</b>	<b>2</b>	<b>71bps</b>	<b>74bps</b>
Fixed staff costs before exceptional items (page 5)	37.0	37.9	82.4
Variable staff costs before exceptional items and performance fees (page 5)	37.9	39.0	70.6
<b>Total</b>	<b>74.9</b>	<b>76.9</b>	<b>153.0</b>
<b>Net revenue before performance fees (see above)</b>	<b>180.6</b>	<b>201.7</b>	<b>387.0</b>
<b>Total compensation ratio before net performance fees</b>	<b>3</b>	<b>41%</b>	<b>38%</b>
Statutory profit before tax (page 7)	34.8	18.8	58.0
Exceptional items (page 5)	11.6	10.9	19.6
<b>Underlying profit before tax</b>	<b>46.4</b>	<b>29.7</b>	<b>77.6</b>
Tax at average statutory rate of 22% (2022 H1 and 2022 FY: 19%) <sup>1</sup>	(10.2)	(5.6)	(14.7)
<b>Underlying profit after tax</b>	<b>36.2</b>	<b>24.1</b>	<b>62.9</b>
Loss/(profit) attributable to non-controlling interests (page 9)	0.1	(0.7)	(0.6)
<b>Underlying profit after tax attributable to equity shareholders of the parent</b>	<b>36.3</b>	<b>23.4</b>	<b>62.3</b>
<b>Average issued share capital (m) (page 15)</b>	<b>545.1</b>	<b>553.1</b>	<b>552.4</b>
<b>Underlying EPS</b>	<b>4</b>	<b>6.7p</b>	<b>11.3p</b>
<b>Underlying profit after tax attributable to equity shareholders of the parent (see above)</b>	<b>36.3</b>	<b>23.4</b>	<b>62.3</b>
Net performance fees (page 5)	3.1	24.2	23.6
Tax on performance fees at average statutory rate of 22% (2022 H1 and 2022 FY: 19%) <sup>2</sup>	(0.7)	(4.6)	(4.5)
<b>Underlying profit after tax attributable to equity holders of the parent before performance fees</b>	<b>38.7</b>	<b>43.0</b>	<b>81.4</b>
<b>Average issued share capital (m) (see above)</b>	<b>545.1</b>	<b>553.1</b>	<b>552.4</b>
<b>Underlying EPS before performance fees</b>	<b>5</b>	<b>7.1p</b>	<b>14.7p</b>

<sup>1</sup>Actual effective tax rates applicable to underlying profit before tax were 29.9% in 2023 H1, 19.9% in 2022 H1 and 17.0% in 2022 FY.

## Revenue, expense and profit-related measures

- 1) Asset managers commonly draw out subtotals of revenues less cost of sales, taking into account items such as fee expenses, including commissions payable, without which a proportion of the revenues would not have been earned. Such net subtotals can also be presented after deducting non-recurring exceptional items.
- 2) The Group uses expense-based APMs to identify and separate out non-recurring exceptional items or recurring items that are of significant size in order to provide useful information for users of the accounts who wish to determine the underlying cost base of the Group. To further assist in this, we also provide breakdowns of administrative expenses below the level required to be disclosed in the statutory accounts, for example, distinguishing between variable and fixed compensation, as well as non-compensation expenditure. These subdivisions of expenditure are also presented before and after exceptional items and after accounting for the impact of performance fee pay-aways to fund managers.
- 3) Profitability-based APMs are effectively the sum of the above revenue and expense-based APMs and are provided for the same purpose – to separate out non-recurring exceptional items or recurring items that are of significant size in order to provide useful information for users of the accounts who wish to determine the underlying profitability of the Group.
- 4) Underlying profit after tax is, in addition, used to calculate underlying EPS which determines the Group's ordinary dividend per share and is used in one of the criteria for measuring the vesting rates of share-based awards that have performance conditions attached.

In this document, we have used the following measures which are reconciled or cross-referenced in table 1:

Measure	Rationale for use of measure
Net management fees	1
Exceptional items <sup>1</sup>	2
Net revenue	1
Performance fees	2
Fixed staff costs before exceptional items	2
Variable staff costs before exceptional items <sup>2</sup>	2
Underlying profit before tax <sup>2</sup>	3
Underlying profit after tax <sup>2</sup>	3, 4

<sup>1</sup> Defined as items of income or expenditure that are significant in size and which are not expected to repeat over the short to medium term.

<sup>2</sup> We also use these measures excluding performance fees (see page 5).

As stated in 2 above, the Group presents a breakdown of administrative expenses below the level required to be disclosed in the statutory accounts, distinguishing between variable and fixed compensation, as well as non-compensation expenditure. The relevant amounts are set out in the table on page 5.

### The impact of exceptional items on the financial statements

The Group has presented certain items as exceptional across all periods. Exceptional items are defined above. These items principally relate to the Merian Global Investors Limited (Merian) acquisition in 2020. Further details of all items that are deemed exceptional are explained below, as well as within the relevant notes to the accounts and in the Management Statement.

### The use of exceptional items and underlying profit measures

In the Management Statement of this document, the Group makes use of a number of APMs, including 'Underlying profit before tax'. The use of such measures means that financial results referred to in that section of this document may not be equal to the statutory results reported in the financial statements. Guidelines issued by the Financial Reporting Council require such differences to be reconciled.

‘Underlying profit before tax’ is equal to the statutory profit before tax after exceptional items. The financial statements do not refer to or use such measures, but the table below provides a reconciliation, indicating in which notes the exceptional items are recorded. Further detail on these items can be found in the relevant notes.

		Six months ended 30 June 2023	Six months ended 30 June 2022	Year ended 31 December 2022
	Notes	£m	£m	£m
<b>Underlying profit before tax (page 1)</b>		<b>46.4</b>	<b>29.7</b>	<b>77.6</b>
Administrative expenses	3	(2.2)	(1.5)	(0.8)
Amortisation of intangible assets	9	(9.4)	(9.4)	(18.8)
<b>Statutory profit before tax</b>		<b>34.8</b>	<b>18.8</b>	<b>58.0</b>

### Changes in the use of APMs

The Group has not used the following APM which was used in the Group’s Annual Report and Accounts for 2022:

- Total compensation ratio. The Group uses ‘Total compensation ratio before net performance fees’ as its principal measure of the relationship between revenues and staff costs due to the variability of performance fees and associated costs (see page 26).

# Independent Review Report to Jupiter Fund Management plc

## Report on the condensed consolidated interim financial statements

### Our conclusion

We have been engaged by Jupiter Fund Management plc (the 'Company') to review the condensed consolidated financial statements in the Interim Report and Accounts for the six months ended 30 June 2023 which comprise the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated statement of cash flows, Introduction to the Notes to the Group financial statements, Basis of preparation and other accounting policies and explanatory notes 1 to 20.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Report and Accounts for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with UK-adopted International Accounting Standard 34, "Interim Financial Reporting", and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

### Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ('ISRE 2410'), issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in the Statement of Directors' Responsibilities of the Interim Report and Accounts, the financial statements of the Company are prepared in accordance with UK-adopted International Accounting Standards. The condensed set of financial statements included in this Interim Report and Accounts has been prepared in accordance with UK-adopted International Accounting Standard 34, "Interim Financial Reporting".

### Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

### Responsibilities of the directors

The directors are responsible for preparing the Interim Report and Accounts in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the Interim Report and Accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the review of financial information**

In reviewing the Interim Report and Accounts, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the Interim Report and Accounts. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

### **Use of our report**

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP  
London

26 July 2023